

Message Text

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ACTION STR-05

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

SS-15 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 AF-10 ARA-10 EUR-12 NEA-10 OIC-02 /142 W

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P R 271504Z SEP 77

FM USMISSION GENEVA

TO SECSTATE WASHDC PRIORITY 1420

INFO AMEMBASSY TOKYO

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USMTN

ACTION STR

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: BASE DATE/BASE RATES DISCUSSION WITH JAPANESE

1. USMTN DEL (MCNAMARA, MOORE) MET WITH JAPANESE DEL (UKAWA, MIYAKE) AT USDEL'S REQUEST TO DISCUSS BASE DATE/ BASE RATES ISSUES. FOLLOWING POINTS EMERGED.

2. IN UKAWA'S OPINION, GOJ PLANS NO UNILATERAL TARIFF REDUCTIONS DURING REMAINDER OF MTN. HE SAID GOJ WILL BE TOO BUSY PREPARING JANUARY 15 OFFERS LIST AND BELIEVES TARIFF CUTS LIKELY IN MTN WILL SATISFY DOMESTIC NEEDS FOR JAPANESE TARIFF REDUCTIONS.

3. USDEL POINTED OUT THAT EVEN THOUGH TARIFFS GROUP HAD AGREED IN MARCH, 1975, THAT THE GATT RATE WILL BE BASE RATE FOR REDUCTIONS ON BOUND ITEMS, THE US HAD AT THAT TIME
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RESERVED ITS POSITION REGARDING CREDIT IT MIGHT GIVE FOR DUTY REDUCTIONS WHEN APPLIED RATES ARE LOWER THAN BOUND RATES (SEE GENEVA 2066, 3/24/75). UKAWA RESPONDED THAT THIS SITUATION SHOULD BE DEALT WITH ON ITEM-BY-ITEM BASIS AND NOT BY GENERAL RULE. HE ENVISAGED SEVERAL POSSIBLE APPROACHES: BIND ACCORDING TO FORMULA REDUCTION; BIND AT ORIGINAL APPLIED RATE; OR MAKE DEEPER-THAN-FORMULA CUT IF

REQUESTING COUNTRY IS PREPARED TO MAKE SIMILAR CUTS ON ITEMS OF INTEREST TO JAPAN. UKAWA REPEATED SEVERAL TIMES DURING COURSE MEETING THAT IF JAPAN IS FORCED TO CONSIDER CUTS BASED ON APPLIED RATES, THEY WOULD RELUCTANTLY HAVE TO INCREASE THEIR EXCEPTIONS LISTS.

4. ON UNBOUND RATES, UKAWA STATED THAT BINDINGS SHOULD BE CONSIDERED A MEANINGFUL CONTRIBUTION. HE WAS NONCOMMITTAL ON USDEL QUERY ABOUT POSSIBILITY OF JAPAN APPLYING FORMULA TO STATUTORY RATE FOLLOWED BY UNBOUND UNILATERAL CUT ON APPLIED RATE. (FYI: THIS APPROACH WAS DISCUSSED INFORMALLY IN TOKYO DURING US/JAPANESE TARIFF MEETINGS EARLIER THIS MONTH. END FYI).

5. IN RESPONSE TO USDEL QUESTION AS TO HOW BASE DATE/BASE RATES ISSUES COULD BE DEALT WITH IN TARIFF PLAN, UKAWA REPLIED THAT JAPAN WOULD NEED SPECIFIC RECONFIRMATION OF TARIFFS GROUP AGREEMENT IN MARCH, 1975, TO USE GATT RATES AS BASIS FOR REDUCTIONS OF BOUND RATES. HE SAID THAT UNBOUND RATE ISSUE COULD BE DESCRIBED AS STILL UNDER DISCUSSION.

6. BOTH DELS AGREED TO CONTINUE INFORMAL BILATERAL DISCUSSIONS.

7. DRAFTED BY MOORE. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, CUSTOMS DUTIES, INTERNATIONAL ORGANIZATIONS, TARIFF LIBERALIZATION, TARIFF AGREEMENTS, DIPLOMATIC DISCUSSIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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